



CASE STUDY

Delay in the construction of an LNG liquefaction plant

FTI Consulting intervened to quantify the economic losses in terms of net revenues not accrued by a State-owned African energy company as a result of a delay in the construction of an LNG liquefaction terminal.

SITUATION

State-owned African energy company, needed to evaluate its lost profits resulting from the delayed construction of a LNG liquefaction terminal in terms of lost sales revenues.

OUR ROLE

Relying on the experience of its experts, who computed the potential supply of LNG from the plant, FTI Consulting estimated the counterfactual profit of the plant, which would have started producing earlier (but also closed earlier). Considering different scenarios for LNG export from the plant and the wider market, as well as an analysis of the demand of LNG in different regional markets (Asia, Europe), FTI Consulting produced a range of plausible quantifications of the sales revenues in the counterfactual scenario, and provided an accurate estimations of the losses suffered as a consequence of the delay.

OUR IMPACT



FTI consulting provided the LNG terminal owner with sharp insights into the lost profits arising from the delay and helped to provide facts to the dispute. The Parties settled the case amicably after submission of our report.

EMMANUEL GRAND

Managing Director
+33 1 40 08 12 43
emmanuel.grand@fticonsulting.com

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. ©2020 FTI Consulting, Inc. All rights reserved. www.fticonsulting.com

EXPERTS WITH IMPACT™

